

Why Invest in International Water?

Today, one-third of the world's population lives under water-stress: conditions which affect socio-economic development.

By 2025, as much as two-thirds of the world's population could be living under moderate to high water stress, creating new pressure to provide water for basic needs, food and industry.

Meeting this demand will require infrastructure and supply improvement, increased reliance on water from non-traditional sources and enhanced technical water use efficiency.

Worldwide demand for solutions will include the full range of water sector goods and services; from drinking water distribution, irrigation equipment and water quality monitoring systems to water conservation and demand management technologies.



“Water is critical to almost every aspect of human endeavor, from agriculture, to industry, to energy.”

Hillary Rodham Clinton, Secretary of State,
World Water Day 2009



United States Department of State

INVESTMENT IN INTERNATIONAL WATER

The U.S. Government

is working to build capacity for international water projects at the local, national, and regional levels and to [strengthen capital markets](#) and provide credit enhancements with the goal of [mobilizing resources](#) inside developing countries. These efforts will [facilitate increased access](#) to water related goods and services abroad, providing [a strategic opportunity for private firms](#) to bring their technical skills and capital to bear in addressing the challenges facing the water sector.





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Financing Support for U.S. Investors

U.S. agencies provide special terms for water exporters and investors.

Support for Investors
Project financing through direct loans and loan guarantees—providing medium and long-term financing for large or small-scale projects.

Political risk insurance—mitigating political or sovereign risks such as expropriation, political violence, currency inconvertibility and breach of contracts with foreign government-owned entities.

Support for U.S. Exporters
Working capital loan guarantees—facilitating exporters’ ability to finance materials, labor and overhead to produce exports.

Other export loan guarantees—offering U.S. Government-backed guarantees for commercial banks that provide international lending.

Project and structured finance direct loans—arranging long-term repayments for large U.S investments in both developed and emerging markets.

Export credit insurance—enabling U.S. exporters to offer short and medium-term credit directly to their customers during the pre-shipment and post-shipment phase.

Opening Markets for U.S. Exporters

U.S. agencies support water exporters
Market Research—electronic and published information, including market intelligence and trade statistics to inform investment in water related export markets.

Project development support—activities that promote U.S. exports by connecting U.S. companies with foreign buyers at the critical early stage of project planning through feasibility studies, pilot projects and technical assistance.

Training—designed to create an enabling environment for trade and support U.S. exports through the development of appropriate policy and legal frameworks.

Export counseling—customized programs for matchmaking, country-specific assistance and trade missions tailored for companies in water goods and services.

Trade events—domestic trade shows, reverse trade missions and other events that showcase U.S. water technology to foreign buyers, strengthening the position of U.S. exporters in the global marketplace.

Assistance for Foreign Companies


U.S. Government tools and services available to foreign entities


Loan guarantees for international borrowers
Outside of the U.S.—the Development Credit Authority and EX-IM Bank stimulate lending and increase exports by providing partial loan guarantees to creditworthy international borrowers.

Sector development support—orientation visits and business workshops can support the development of modern water infrastructure and inform investment decisions.


Did you know?

 Department of Commerce’s **International Trade Administration (ITA)** is dedicated to opening markets for U.S. products and services and providing assistance and information to exporters. ITA has trade specialists in 107 U.S. Export Assistance Centers, Washington, D.C. and over 150 offices overseas offering a wide range of export assistance services such as export counseling, market analysis and trade promotion events. 1-800-USA-TRADE, www.export.gov/industry/environment

 **Export-Import Bank of the United States (EX-IM)** provides financing to U.S. companies and foreign investors, acting as an intermediary between exporters, lenders and buyers to mitigate the risks of exporting to certain markets. In FY 2010, Ex-Im authorized \$24.5B in export financing and \$719MM in water projects over the past 12 fiscal years. www.exim.gov, exim.water@exim.gov

 **Overseas Private Investment Corporation (OPIC)** mobilizes U.S. private capital to support sustainable water use and management by providing political risk insurance, investment financing and investment funds. OPIC currently manages a \$14B portfolio and since 1990, OPIC mobilized \$1.3B of total investment in the water sector! www.opic.gov, info@opic.gov

 **U.S. Trade and Development Agency (USTDA)** links U.S. firms to export opportunities by funding project planning activities and reverse trade missions while promoting economic growth in emerging economies. Over 10 years, USTDA’s programs generated almost \$14.2B in U.S. exports, supporting an estimated 87,000 U.S. jobs. That means \$47 in exports of U.S. manufactured goods and services for every \$1 programmed. www.ustda.gov

 **United States Agency for International Development (USAID)** uses its **Development Credit Authority (DCA)** to encourage lending to underserved markets by enabling financial institutions to make loans otherwise deemed too risky. More than 267 partial credit guarantees have mobilized >\$2.3B in private credit in 64 countries. To date, DCA has increased access to finance for water in Egypt, India, Kenya, and the Philippines. www.usaid.gov/our_work/economic_growth_and_trade/development_credit/

Benefits of Working with U.S. Government Agencies

	Benefits	U.S. Government Agency
U.S. INVESTORS	Enhanced financing for investment abroad	OPIC
	Political risk insurance	OPIC, EX-IM
	Feasibility studies, technical assistance and training to inform international partner investment decisions	USTDA
	Enhanced financing to increase international sales and projects	EX-IM
U.S. EXPORTERS	Partial loan guarantees to promote business and investment	EX-IM
	Feasibility studies, technical assistance and training to inform international partner investment decisions	USTDA
	Export-credit insurance	EX-IM
FOREIGN INVESTORS	Partial loan guarantees to promote business and investment	EX-IM, USAID
	Reverse trade missions and business workshops to support development of modern infrastructure and inform investment decisions	USTDA
	Enhanced financing for purchases of U.S. goods and services	EX-IM



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